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Resources and Services Overview and
Scrutiny Committee

17 December 2024

**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON TUESDAY, 17TH DECEMBER, 2024 AT 7.30 PM
IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD, CLACTON-
ON-SEA, CO15 1SE**

Present:	Councillors P Honeywood (Chairman), M Cossens (Vice-Chairman), Bensilum, Doyle, Goldman, Harris, S Honeywood, Newton and Steady
Also Present:	Councillors Smith (Portfolio Holder for the Environment)(except items 66 & 67) and M Stephenson (Leader of the Council & Portfolio Holder for Finance & Governance)(except items 65 – 67)
In Attendance:	Ian Davidson (Chief Executive)(except items 65 - 67), Damian Williams (Corporate Director (Operations and Delivery))(except items 66 & 67), Lisa Hastings (Director (Governance) & Monitoring Officer), Richard Barrett (Director (Finance and IT) & Section 151 Officer), Tim Clarke (Assistant Director (Housing and Environment))(except items 66 & 67), Ian Ford (Committee Services Manager) and Bethany Jones (Committee Services Officer)

60. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies for absence submitted nor substitutions made on this occasion.

61. MINUTES OF THE LAST MEETING

It was moved by Councillor Newton, seconded by Councillor S Honeywood and:-

RESOLVED that the Minutes of the last meeting of the Committee held on 23 September 2024 be confirmed as a correct record and be signed by the Chairman.

62. DECLARATIONS OF INTEREST

There were no declarations of interest made on this occasion.

63. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

No Questions on Notice pursuant to Council Procedure Rule 38 had been submitted for this meeting.

64. REPORT OF THE HEAD OF DEMOCRATIC SERVICES AND ELECTIONS - A.2 - PORTFOLIO HOLDER PROJECTS - PERFORMANCE AND PROJECT MANAGEMENT

The Committee considered a report of the Head of Democratic Services & Elections (A.2) which enabled it to consider the outcome of its decision from its meeting on 23 September 2024 (Minute 57 referred) which had been considered by Cabinet on 15 November 2024 (Minute 75 referred). The Committee had recommended, in the light of the unauthorised expenditure found in relation to the Spendells temporary

accommodation project that Portfolio Holders reviewed performance and project management of all their existing projects. This review, the Committee had requested, should be completed in time for the findings to be reported to this meeting together with any additional actions determined by the Leader. The Leader of the Council attended this meeting to discuss the outcome of the Portfolio Holder reviews of their projects.

The Chief Executive (Ian Davidson) referred to the announcement by HM Government of its White Paper on Devolution and Local Government re-organisation (LGR). He outlined the context in relation to the timescales for completing the projects and other constraining effects on the Council's key projects that would need to be kept under close review moving forward. Responding and reacting to the White Paper would have a significant effect on this Council's capacity and resources. It would also challenge this Council to maintain its current good performance in terms of Value for Money judgements (which had been recognised by the Council's External Auditor). Mr. Davidson then responded to Members' questions as follows:-

<u>Committee Members' Questions</u> (Summary)	<u>Responses (Chief Executive, unless otherwise stated)</u> (Summary)
Will there be a clause in the new Waste Management Contract that will protect TDC in the event that it disappears under LGR?	There are a myriad of contracts that will need to be gone through. Harmonisation of contracts with other local authorities would take place over time. If TDC was to cease to be then the burden of such contracts would fall on the successor Authority. These are all matters that need to be closely considered alongside other matters such as TDC's close working relationships with the District's Parish and Town Councils.
As LGR progresses will there be a grading system introduced for projects that are underway or are still in the planning stage?	Excellent question. This is just the sort of thing that Officers will need to examine and then facilitate the Cabinet in making its decisions. For some projects, TDC is already contractually obliged having accepted the relevant external funding. The Council's Monitoring Officer and the Section 151 Officer will both play a key role in that process. [Director (Governance)] – These are daunting times for local government as it is facing its largest re-organisation since the passing of the Local Government Act 1972. This is also happening alongside large-scale changes to the national planning, housing and procurement statutory frameworks. Already, cautionary

	<p>messages are being issued to Councils about looking at, in the New Year, transformation projects whether planned or already underway.</p>
<p>Should this overview and scrutiny committee be concentrating on the process in terms of LGR and its effect on TDC's projects?</p>	<p>It would be valid for this Committee to look at the process for choosing which projects are continued or are ceased. A report will be submitted to Full Council in January 2025 that will place all the available information before Members in order to allow them to debate this matter.</p> <p>[Director (Governance)] – Officers will, of course, keep Members up-to-date as matters progress. It is expected that tools will be provided in due course for Members by bodies such as the Centre for Governance and Scrutiny. Eventually an Order will be made in Parliament that will set out all those functions (including contractual matters) that will be put over to the new Authority.</p>
<p>Has TDC been involved in any Best Value related collaborations with neighbouring Authorities on these large projects/contracts e.g. Waste Management?</p>	<p>Yes, most certainly e.g. with Colchester CC and Essex CC on the TCB Garden Community. Another example would be regarding collection methods and mechanisms for purchasing collection vehicles for the new waste collection contract.</p> <p>[Leader of the Council] – Other examples would include the Health & Well-being Alliance, procurement, Emergency Planning, new HR systems and the NEC audit.</p>

The Leader of the Council (Councillor M Stephenson) then addressed the Committee and stated that the Leader/Portfolio Holders' review of projects had focused on three key aspects i.e. capacity, governance and finance. He was broadly comfortable that Portfolio Holders were on top of their respective projects. Councillor Stephenson commended the Committee for their recommendation as this had proved to be a very useful exercise for both Officers and Portfolio Holders. He intended to pull together a comprehensive list of all of TDC's current projects which he would submit to a future meeting of the Committee.

The Leader of the Council then responded to Members' questions as set out hereunder. The Chairman (Councillor P Honeywood) acknowledged that the Leader had not had sight of the questions before the meeting

<u>Committee Members' Question</u> (Summary)	<u>Responses (Leader of the Council, unless otherwise stated)</u> (Summary)
Have all the cameras been granted planning permission?	No. A number of planning applications had been submitted and any that were still outstanding would be submitted shortly. These planning applications would be required to be considered by the Planning Committee.
Regarding the CCTV project, what has happened and what is the progress?	Outlined the timeline to the Committee and undertook to circulate the timeline to Members after the meeting.
How did the CCTV project get so far behind schedule?	There were problems with specifications and the tender process.
Is everything going to be completed for the CCTV project by March 2025?	The aim was to have everything completed by 10 April 2025.
Since the Safer Street Funding briefing note has been circulated, what has happened since then?	Will provide a written answer circulated to all members of the Committee.
Is the Council adhering to the terms of the funding agreement?	Yes, but will confirm that in writing.
What is the financial risk to the Council?	Not aware of any risk. Money is passported and there has been an extension of time granted.
<p>Regarding the site at Weeley, what is the end date for the project? What has happened since 2023 when the heads of terms were signed? How long were the heads of terms agreed for? What happens if there is no completion of the development? Are the housing prices right for the development? Is the deal still good for the Council? What is the procedure for property acquisitions or disposals in relation to tender? What was the process that was undertaken?</p>	<p>This is a sensitive issue best answered by the Corporate Director. There are things going on in the background but they are of a sensitive nature.</p> <p>[Corporate Director (Operations & Delivery)] – It's undeniable that this matter has not proceeded as quickly as TDC would have liked. Officers have been pushing hard but, as yet, have not reached an agreement with the Developer. Is aware of the ongoing cost liabilities to the Council of this site. Will start to look at alternative options for the disposal of this site in an effort to speed up a resolution. Frustrating for all concerned. Any alternative to the current negotiating process will require a further report to Cabinet and a new decision. The negotiations have been lengthy, detailed and problematic (e.g. ransom strips).</p> <p>[Chief Executive] – To an extent, TDC is in the hands of Developers and their willingness to release sites into the housing market. Obviously, this would</p>

	<p>be done on a 'drip feed' process in order to avoid a sudden 'glut' and a depression of house prices.</p> <p>[Councillor M Cossens] – The site at Weeley will be a key focus of the work of the Asset Management Arrangements Task & Finish Working Group.</p>
<p>Further to the responses just provided, this needs close examination to learn lessons for the future. Is going out to a re-tender one of the alternative options?</p>	<p>[Corporate Director (Operations & Delivery)] – Yes, that is one of the options.</p> <p>[Chief Executive] – There is a requirement for seven dwellings to come into TDC's housing stock. This has been a complicating factor and has meant that it has not been a straight-forward land sale.</p>
<p>What projects do you have underway? What was the review process taken?</p>	<p>Review of projects had focused on three key aspects i.e. capacity, governance and finance. He was broadly comfortable that Portfolio Holders were on top of their respective projects. He intended to pull together a comprehensive list of all of TDC's current projects which he would submit to a future meeting of the Committee. List being refined all the time. Had been a very useful exercise for both Officers and Cabinet Members to bring this list of all the projects into one place.</p>
<p>Further to the responses just provided, will this factor into the Administration's priorities going forward and will this Committee have a say in producing that list?</p>	<p>Yes, they will. The draft initial priorities list for consultation purposes will be submitted to Cabinet on Friday. No though yet has been given to producing milestones for these priorities.</p>
<p>What is the progress with Clacton Town Board?</p>	<p>Previous Conservative Government earmarked £20million over a ten-year period. The matter was paused whilst the General Election was held and whilst the new Labour Government considered and confirmed its regeneration priorities. Therefore, the CTB has been effectively in limbo as a result but it has remained determined to take advantage of any opportunities that comes its way and it has been able to proceed with smaller initiatives like empty shop wrapping in Clacton Town Centre and the development of a</p>

	website.
How many times has the local MP been to the meetings of the Clacton Town Board?	Will provide a written answer circulated to all members of the Committee.
If LGR goes ahead, will that make the CTB more important as a way of ensuring input into decision making at the local level?	Yes, it will. The CTB is very determined to take ownership of Clacton's future.
What are the milestones for the savings plans?	[Director (Finance & IT)] - A report will be submitted to Cabinet on Friday that details when savings will come into the Budget in 2025/26 and 2026/27.
Are you behind or ahead with the savings plan?	[Director (Finance & IT)] - Not behind and ahead in some ways but it will require concrete work, actions and decisions made going forward. Worry is about the unexpected/unforeseen (e.g. Covid-19) occurrences that could knock TDC off-course. Overall, TDC is currently in a good position. [Chief Executive] – TDC is not in danger of having to issue a Section 114 Notice unlike many other Councils. The External Auditor is content with TDC's approach of a rolling ten-year financial forecast. This 'smooths out' the process and avoids annual wholesale 'panic' cuts of services.
What is the current position with the old Savoy nightclub in Clacton Town?	[Chief Executive] – This is a commercially sensitive matter at this time but forms part of TDC's overall partnership project with the Arts Council. Willing to give more detail in writing to Members.

It was moved by Councillor P Honeywood, seconded by Councillor Doyle and:-

RESOLVED that the Committee, having discussed the review of performance and project management undertaken by Portfolio Holders with the Leader of the Council:-

- (a) looks forward to receiving the further written answers in due course from the Leader of the Council and would welcome any further expanded responses to those already provided at the meeting; and
- (b) reserves the right to submit any comments or recommendations to Cabinet on this matter once it has considered the Executive's budget proposals and initial highlight priorities at its meeting due to be held on 13 January 2024.

65. REPORT OF THE PORTFOLIO HOLDER FOR THE ENVIRONMENT - A.3 - UPDATE ON THE WASTE AND RECYCLING SERVICE PROCUREMENT

The Committee considered a report of the Portfolio Holder for the Environment which updated it on the current position on the waste and recycling and street cleaning service procurement.

It was noted that as the procurement process was now under way there was a limit to how much information about the process and the bidders involved that could be shared with the Committee.

Members were reminded that, at its meeting held on 26 July 2024, Cabinet had considered a report of the Environment Portfolio Holder (A.6), which had:-

- provide it with an update on progress with future options for kerbside waste and recycling collection and street sweeping beyond the expiry in 2026 of the current contractual arrangements;
- sought Cabinet's approval to go out to tender in order to find a suitable service provider;
- sought the adoption of the Core Specification Principles; and
- sought to delegate a number of decisions to Portfolio Holders and Officers to ensure a smooth progression of this work.

Cabinet had resolved "*RESOLVED that Cabinet –*

1. *notes the work undertaken by the Waste Contract Project Board to date and the contributions from the Member Working Group;*
2. *notes the content and recommendations made in the Options Appraisal and Outline Business Case produced in partnership with EELGA;*
3. *endorses the proposal set out within the Options Appraisal and Outline Business Case to re-tender both the waste and recycling collection and street sweeping services as a single contract in order that a contractor is in place to deliver services at the time of the expiry of the current contracts on 31st December 2025 and 31st January 2026;*
4. *notes the outcome of the market engagement exercise;*
5. *agrees to the route to procurement being Competitive Dialogue;*
6. *agrees to formally adopt the Contract Principles, endorsed by the Waste Contract Project Board and against which the new service will be set, along with the Core Specification Principles set out in Table 4 within the Portfolio Holder's report (A.6);*
7. *agrees to offer a lease of the Fowler Road depot in Clacton on the existing terms as part of any future contractual arrangement, accepting that the depot is likely to require reconfiguring / modernisation during the contract period. Therefore, Cabinet also agrees to initiate the Property Dealing Procedure allowing Officers to explore options and alternative / additional land purchase or lease opportunities;*
8. *agrees a delegation to the Portfolio Holder for Assets to determine the Social Value Themes, Outcomes and Measures (TOMs) against which the social value aspects of the tender submissions will be considered;*
9. *agrees a joint delegation to the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets to approve:-*
 - a. *the high level service specification provided that they consult with the Waste Contract Project Board and the Member Working Group beforehand;*
 - b. *the aspects of the tender about which there will be dialogue held with bidders;**and*

c. the tender evaluation criteria to be used;

10. *agrees a delegation to the Corporate Director (Operations & Delivery) to approve:*

a. the detail of the service specification providing that they have consulted with the Portfolio Holder for the Environment; and also

b. the membership of the tender evaluation panel; and

11. *authorises a joint delegation to the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets, in consultation with the Corporate Director (Operations & Delivery), the Section 151 Officer and the Monitoring Officer to agree any short term extension to the current contractual arrangements, where permissible to do so and solely for the purpose of assisting with the mobilisation of the new contracts.*

The Committee was made aware that, since that 26 July 2024 Cabinet decision, the relevant portfolio holder decisions had been taken and the procurement exercise had been formally launched on 16 October 2024.

The first stage of the procurement exercise had been completed and bidders had now been invited to submit detailed solutions that were due to be submitted in mid-January 2025. Those submissions would then be scored and evaluated before bidders were invited to participate in a round of dialogue discussions aimed at increasing understanding of both the Council's requirements and bidder's proposals.

Following the dialogue sessions the bidders would be invited to submit their final solutions with the aim that a formal decision on the award of contract could be made in June 2025.

The Portfolio Holder for the Environment (Councillor Smith) then responded to Members' questions as set out hereunder. The Chairman (Councillor P Honeywood) acknowledged that the Portfolio Holder had not had sight of the questions before the meeting. The Chairman also requested that a copy of the Portfolio Holder's opening remarks be circulated to the members of the Committee after the meeting.

<u>Committee Members' Questions</u> (Summary)	<u>Responses (by the Environment Portfolio Holder, unless otherwise stated)</u> (Summary)
Has the Waste and Recycling service kept to the timelines?	In the main, yes. Still on course for the final decision to be made by Cabinet at its meeting in June 2025.
What happens if the timeline slips?	Following the Extended Competitive Dialogue (ECD) process has provided TDC with flexibility.
What happens if the budget goes over?	A written answer will be provided to all members of the Committee following the meeting. [Director (Governance)] – The report submitted to Cabinet in July 2024 set

	out the financial position.
What happens if the lowest bid is over the budget?	[Assistant Director (Housing and Environment)] – The ECD process will show up at an earlier stage the likely contract price. If it is too high then it could be negotiated downwards or items could be removed from the contract to reduce the price.
How much is the current cost of using consultants? What is the risk factor of proceeding without knowing the outcome of LGR?	Consultant cost is currently £128,000+ [Corporate Director (Operations & Delivery)] – TDC has no choice but to proceed with a new contract as the current contract is due to expire. If TDC ceases to exist then the new successor Authority will take over responsibility for the contract.
Will this contract be robust enough to compensate for the significant amount of additional housing that will be required to be built within the District?	[Assistant Director (Housing and Environment)] – There are in-built escalator clauses within the contract.
If the budget is over, what happens to the savings plan?	A written answer will be provided to all members of the Committee following the meeting.

It was moved by Councillor P Honeywood, seconded by Councillor Newton and:-

RESOLVED that the Committee:-

- (a) looks forward to receiving the further written answers in due course from the Environment Portfolio Holder and would welcome any further expanded responses to those already provided at the meeting; and
- (b) reserves the right to submit any comments or recommendations to Cabinet on this matter once it has considered the Executive's budget proposals and initial highlight priorities at its meeting due to be held on 13 January 2024.

66. REPORT OF THE DIRECTOR (FINANCE & IT) - A.4 - EXTERNAL AUDITOR'S COMBINED ANNUAL REPORT INCLUDING THEIR VALUE FOR MONEY COMMENTARY ON THE COUNCIL'S USE OF RESOURCES

Further to the request made by the Committee at its previous meeting, the Committee had before it a report of the Director (Finance & IT) (A.4) which presented the External Auditor's Combined Annual Report for the years ended 31 March 2021, 31 March 2022 and 31 March 2023.

A report from the Council's External Auditor (EA) was attached which set out the most up to date and independent value for money commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The EA's report had been formally considered by the Council's Audit Committee on 9

December 2024 and set out a detailed commentary on a range of value for money issues along with providing a summary of the key issues arising from the work of the External Auditor for the years ended 31 March 2021, 31 March 2022 and 31 March 2023. In terms of this latter point (pages 5 and 6 of the EA report), this referred to the work the Auditors had undertaken as part of their statutory financial statements work, which had been considered by the Audit Committee as part of the activities associated with the publication of the Council's Statement of Accounts for 2020/21, 2021/22 and 2022/23.

In terms of the value for money element of the work undertaken by the Council's External Auditor, the Code of Audit Practice required auditors to carry out a full scope audit of Value for Money (VFM) arrangements for 2023/24 onwards. However, as set out within the EA's Combined Annual Report, a reduced scope had been carried out to date as permitted for preceding years. From 2024/25 onwards, auditors would be required to issue their annual auditor's report containing the VFM commentary each year by 30 November. This had been designed to ensure that, even where the financial audit opinion was disclaimed, the audit still provided useful information to audit committees and other stakeholders about the financial management and financial sustainability of local bodies.

The EA's detailed value for money commentary was set out on pages 7 to 17 of the EA's report and it highlighted a number of important areas of the Council's work and demonstrated a strong and continually improving picture across the various value for money themes.

This was a very welcome position which hopefully provided Members with assurances, especially around the two key themes of financial sustainability and governance, given no such independent commentary had been provided in recent years due to the external audit delays.

Although highlighted on page 17 of the attached report, it was worth highlighting the following statement by the External Auditor:-

"Our VFM work for 2020/21 to 2022/23 has not identified any significant weaknesses in the Authority's arrangements. However, we have identified opportunities for the Authority to improve their arrangements and have made a recommendation accordingly."

In respect of the recommendation referred to in the above statement, this was also set out on page 17 of the EA's report along with confirmation that the associated matter had been addressed in 2023.

<u>Committee Members' Questions</u> (Summary)	<u>Responses by the Director (Finance and IT) & Section 151 Officer</u> (Summary)
Does this impact the Council's financial forecast at all?	Not directly. The External Auditor has not made any adverse comments / recommendations regarding the Financial Forecast so TDC is free to proceed. This gives TDC valuable time

	backed up the Forecast Risk Fund. It also enables TDC to avoid an annual scramble to balance the books and precludes 'panic' cuts to services.
When is the KMPG audit report going to be published?	It is due to be submitted to the meeting of the Audit Committee currently arranged for 30 January 2025.

It was moved by Councillor P Honeywood, seconded by Councillor S Honeywood and:-

RESOLVED that the contents of the report be noted.

67. REPORT OF THE HEAD OF DEMOCRATIC SERVICES & ELECTIONS - A.1 - WORK PROGRAMME 2024/25 - INCLUDING MONITORING OF PREVIOUS RECOMMENDATIONS AND SUMMARY OF FORTHCOMING DECISIONS

The Committee considered a report of the Head of Democratic Services & Elections (A.1) which provided it with an update on its approved Work Programme for 2024/25 (including progress with enquiries set out in its Work Programme); feedback to the Committee on the decisions in respect of previous recommendations from the Committee in respect of enquiries undertaken; and a list of forthcoming decisions for which notice had been given since publication of the agenda for the Committee's last meeting.

The report also provided Members with an opportunity for updates on the work of the Committee's Task and Finish Groups; to consider the Committee's approach to budget scrutiny at its January 2025 meeting; and to note that arrangements would be made with the Chairmen of both this Committee and of the Audit Committee to receive the findings in relation to the investigation into the Council's development of Spendells House, Naze Park Road, Walton-on-the-Naze.

The Committee received an oral update on the work of the Asset Management Arrangements Task and Finish Group established by the Committee from its Chairman (Councillor M Cossens). That Group was carrying out two enquiry strands i.e. it was looking at both the Council's physical assets and its IT assets. It had discussed the scoping of those two strands and would shortly begin delving into its detailed enquiry.

It was moved by Councillor P Honeywood, seconded by Councillor M Cossens and:-

RESOLVED that the Committee -

- (a) notes the progress with enquiries set out in its Work Programme 2024/25, plus any feedback to the Committee on the decisions in respect of previous recommendations and the list of forthcoming decisions;
- (b) notes the oral update on the work of the Asset Management Arrangements Task and Finish Groups established by the Committee as given by its Chairman (Councillor M Cossens);
- (c) agrees that its approach to budget scrutiny to be undertaken at its meetings on Monday, 6 January (informal) and Monday, 13 January 2025 in respect of the draft

General Fund and draft Housing Revenue Account budgets for 2025/26 and beyond will be as follows:-

- (1) at its informal meeting on 6 January, the Committee will receive a presentation from the Director (Finance and IT) on the latest budget position and will then look to decide which Portfolio Holders will be required to appear before the Committee on 13 January;
 - (2) on 13 January, the Committee will consider the highlights and general overview of the budget but will particularly focus on how costs are built from the ground upwards with an eye to the implications of LGR;
 - (3) that the meetings on 6 January and 13 January will both commence at 7.00 p.m.; and
 - (4) that the members of the Cabinet be requested to hold the evening of Monday 13 January 2025 in their diaries in case they are required to appear before the Committee.
- (d) notes that arrangements will be made with the Chairmen of this Committee and of the Audit Committee to receive the findings in relation to the investigation into the Council's development of Spendells House, Naze Park Road, Walton-on-the-Naze.

The meeting was declared closed at 9.24 pm

Chairman